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CABLE TELEVISION FRANCHISE AGREEMENT  
BETWEEN CLAY COUNTY, FLORIDA  
AND COMCAST OF GREATER FLORIDA/GEORGIA, INC..

FRANCHISE AGREEMENT

A FRANCHISE AGREEMENT BETWEEN CLAY COUNTY,  
FLORIDA, AND COMCAST OF GREATER  
FLORIDA/GEORGIA, INC. PURSUANT TO CLAY COUNTY,  
FLORIDA CABLE TELEVISION ORDINANCE AND  
GRANTING A FRANCHISE TO COMCAST OF GREATER  
FLORIDA/GEORGIA, INC. TO OWN, OPERATE AND  
MAINTAIN A CABLE TELEVISION SYSTEM IN CLAY  
COUNTY, FLORIDA, AND SETTING FORTH CONDITIONS  
ACCOMPANYING THE GRANT OF SUCH FRANCHISE AND  
PROVIDING FOR REGULATION AND USE OF THE  
SYSTEM.

THIS AGREEMENT, effective this 28<sup>th</sup> day of February, 2006, is entered into by Clay County (County) and Comcast of Greater Florida/Georgia, Inc.

WHEREAS, pursuant to the Cable Communications Policy Act of 1984, as amended, 47 U.S.C. §§521 et seq., the County may grant or renew a Franchise to construct, operate and maintain a cable television system; and

WHEREAS, on \_\_\_\_\_, 2006, the Board of County Commissioners of Clay County, Florida ("Board"), adopted Ordinance No. \_\_\_\_ repealing Ordinance No. \_\_\_\_ and amending the Code of Ordinances of Clay County, Florida, and providing for the issuance and regulation of cable television Franchises for, and the installation, construction and operation of, cable television systems within the County; and

WHEREAS, Comcast of Greater Florida/Georgia, Inc. desires to renew its Franchise to construct, install, maintain, and operate a cable television system in the County, and has applied to the County for a renewal of such Franchise; and

WHEREAS, the construction, installation, maintenance, and operation of a system involves the use and occupation of the streets of the County, over which the County exercises governmental control; and

WHEREAS, the Board has evaluated Comcast of Greater Florida/Georgia, Inc.'s application in light of the requirements of federal and state law, and the Ordinance, and has conducted public hearings concerning Comcast of Greater Florida/Georgia, Inc.'s renewal request and renewal application; and

WHEREAS, the Board has relied on Comcast of Greater Florida/Georgia, Inc.'s representations and has considered all information presented to it by Comcast of Greater Florida/Georgia, Inc., the County staff, the County's consultants, and the public; and

WHEREAS, based on the representations and information, the Board has determined that a renewal of Comcast of Greater Florida/Georgia, Inc.'s nonexclusive Franchise to construct, install, maintain and operate a cable system in the County, subject to the terms and conditions set forth and in the Ordinance, is consistent with the public interest; and

WHEREAS, the Board has determined to renew Comcast of Greater Florida/Georgia, Inc.'s non-exclusive Franchise to own, construct and operate a cable television system within the County, subject to the terms and conditions of the Ordinance and subject also to the County and Comcast of Greater Florida/Georgia, Inc. entering into a Franchise agreement; and

WHEREAS, the Board and Comcast of Greater Florida/Georgia, Inc. have reached agreement on the terms and conditions of a Franchise agreement.

NOW, THEREFORE, in consideration of the County's renewal of Comcast of Greater Florida/Georgia, Inc.'s Franchise to own, construct, install, maintain and operate a cable system within the County, and to use and occupy the Streets of the County for that purpose, and in consideration of Comcast of Greater Florida/Georgia, Inc.'s promise to provide cable service to residents of the County pursuant to the Ordinance and under the terms and conditions set forth herein and in consideration of the promises, and undertakings and other good and valuable consideration, the receipt and the adequacy of which is acknowledged, the Franchise is granted and the parties agree as follows:

Section 1.     Definitions.

Except as otherwise provided the definitions in Section \_\_\_\_ of Ordinance No. \_\_\_\_ of Clay County, Florida, shall govern this Franchise Agreement. In addition, the following definitions shall apply:

(a)     "Effective Date" shall mean the date upon which this Agreement commences, as provided in Section 3.

(b)     "Franchisee" or "Comcast" shall mean Comcast of Greater Florida/Georgia, Inc. and its lawful and permitted successors, assigns and transferees pursuant to Sections 28 and 29 of this Agreement and the Ordinance.

(c)     "Franchise Area" shall mean the entire unincorporated area within the legal boundaries of the County.

(d)     "Ordinance" shall mean Ordinance No. \_\_\_\_ of Clay County and as same may be lawfully amended.

Section 2. Grant of Franchise.

(a) Subject to the terms of this Franchise Agreement and the Ordinance, the County grants Franchisee a Franchise for the right and privilege to own, construct, install, maintain and operate a cable television system within the Franchise Area.

Section 3. Term of Franchise.

(a) The Franchise granted herein shall commence upon the date that the Resolution approving this Franchise is adopted by the Board of County Commissioners, provided that the Franchisee has provided the County the written acceptance required by Section 36, the proof of insurance required by Section 8, the performance bond required by Section 10, and any and all payments due pursuant to this Agreement and the Ordinance. Failure to provide the written acceptance, the proof of insurance, the performance bond and any and all payments due shall make Franchisee subject to Enforcement Remedies as set forth in the Ordinance.

(b) This Franchise shall be for a period of ten (10) years commencing from the Effective Date, unless, otherwise sooner terminated or otherwise extended in accordance with the terms of this Agreement.

Section 4. Non-Exclusive Franchise.

The Franchisee's right to use and occupy the Streets and rights-of-way shall be non-exclusive pursuant to Section 3(d) of the Ordinance. The County reserves the right to grant a similar or other use of Streets and rights-of-way, or any portions thereof, to any person, including the County, at any time during the term of this Franchise Agreement.

Section 5. Franchise Subject to Cable Act and Ordinance.

(a) This Franchise Agreement is subject to and shall be governed by all terms, conditions and provisions of the Cable Act, any lawful amendments thereto, and any other applicable provision of federal, state or local law of general applicability applicable to all cable providers regulated under the Ordinance, existing or hereafter adopted.

(b) Franchisee accepts all terms and conditions of the Ordinance as of the Effective Date of this Franchise Agreement unless expressly provided otherwise herein. In the event of a discrepancy between this Franchise Agreement and the Ordinance, the express provision of this Franchise Agreement shall control. The parties expressly agree that the obligations under this Franchise agreement may not be unilaterally altered, whether by resolution, proclamation or amendment of the Ordinance, unless otherwise provided herein or allowed by applicable federal or state law.

Section 6. Franchisee Subject to Other Laws, Police Power.

(a) The Franchisee is subject to and agrees to comply with all generally applicable county, state and federal laws, Ordinances, rules, regulations and orders, existing or hereafter lawfully adopted.

(b) The Franchisee shall at all times be subject to all lawful exercise of the police power of the County, and this Agreement is not intended to limit or expand the County's exercise of such power in any way.

Section 7. Reservation of Rights.

(a) This Franchise Agreement may be modified, after public notice and hearing, to the extent permitted to comply with applicable federal, state and county law of general applicability, or by mutual written agreement between the County and Franchisee.

(b) The County reserves the right to acquire, purchase, own and/or operate a Cable System to the extent permitted by and consistent with applicable local, state and federal law.

Section 8. Insurance.

(a) Franchisee shall obtain and maintain insurance of the types and minimum amounts required herein, in such a manner as to comply with each and every requirement of this Section. Franchisee shall be required by the County to maintain, and by its acceptance of the Franchise, specifically agrees that it shall maintain, throughout the entire term of the Franchise including any renewals thereof, insurance coverage insuring the Franchisee with respect to the construction, operation and maintenance of the Cable System, and the conduct of the Franchisee's business in the County, as described below and as required to satisfy all requirements of Florida law:

(1) Comprehensive general liability insurance including contractual liability, explosion, collapse and underground property damage, bodily injury and broad form property damage, personal and advertising injury and products/completed operations coverage. The Franchisee shall carry limits with a combined single limit of no less than One Million Dollars (\$1,000,000.00) for each occurrence naming the County as an additional insured. The Franchisee shall require any subcontractors to provide adequate insurance and provide proof of insurance to the County as well.

(2) The Franchisee shall carry workers' compensation and employers' liability insurance in compliance with state law. The Franchisee shall require any subcontractors to provide workers compensation insurance for all of the subcontractors' employees as may be required by state law.

(3) Business automobile liability insurance covering all owned, hired and non-owned vehicles used in connection with any activities arising out of this agreement. Such insurance shall afford coverage with a combined single limit of no less than One Million Dollars (\$1,000,000.00) for each occurrence. The Franchisee shall require any subcontractors to provide business automobile liability insurance for all of the vehicles used by subcontractors arising out

of the Franchise.

(b) All insurance policies shall be with insurance companies authorized to do business in Florida and shall be with insurance companies with a minimum AM Best's rating of A-, VII, or an equivalent rating.

(c) A Franchisee shall keep on file with the County certificates of insurance. Such certificates shall indicate that the County, its officers, officials, boards, attorneys, agents and employees are listed as additional insureds. If a potential claim is filed such that the County claims insurance coverage, Franchisee shall immediately respond to all reasonable requests by the County for information with respect to the scope of the insurance coverage.

(d) All insurance policies shall further provide that any cancellation or reduction in coverage shall not be effective unless thirty (30) days prior written notice thereof has been given to the County. A Franchisee shall not cancel any required insurance policy without submission of proof that the Franchisee has obtained alternative insurance satisfactory to the County that complies with this Section 8.

(e) The Franchisee shall provide proof to the County of compliance with this Section no later than thirty (30) days after the date of the County Board Resolution approving the grant or renewal or transfer of the Franchise, or as otherwise agreed to in writing by the County Manager. Should Franchisee fail to provide the County with proof of insurance as required herein, Franchisee shall be subject to fines and other enforcement remedies pursuant to the Ordinance, including but not limited to a Resolution denying the approval of a grant or renewal of the Franchise.

(f) In the event of any request for modifications or transfers of the Franchise, Franchisee shall provide proof to the County of compliance with this Section 8, no later than thirty days (30) after the Effective Date the relevant transaction is completed, or otherwise upon prior written approval by the County Manager. Should Franchisee fail to provide the County with proof of insurance as required in Section 8(c) herein, Franchisee shall be subject, after notice and failure to cure, to fines and other remedies, including a Resolution denying the transaction or revoking any prior conditional approval of the transaction.

(g) All certificates of insurance shall be filed and maintained with the County Manager. The certificates of insurance filed pursuant to this subsection must contain a statement that the County shall receive at least thirty (30) days advance written notice of any cancellation of insurance, reduction in coverage or other material change.

#### Section 9. Indemnification of the County.

Franchisee shall, at its sole cost and expense, indemnify, hold harmless, and defend the County, its elected or appointed officials, employees, committees and boards, in accordance with the Ordinance.

#### Section 10. Performance Bond.

(a) In compliance with the Ordinance, Franchisee shall provide the County a performance bond in the amount of Two Hundred Thousand Dollars (\$200,000.00) in a form that is satisfactory to the County, to ensure the faithful performance of all provisions of this Agreement. The performance bond shall be in place and proof of such provided to the County within thirty (30) days of the Effective Date of this Franchise Agreement.

(b) Where a transfer application is approved by the County, if the performance bond is not furnished to the County within thirty (30) days of the closing of the transaction or by any alternate or extended date agreed upon in writing by the County Manager, the Resolution approving such transaction or any prior conditional approval of the transaction shall be revoked by the County.

(c) If thirty (30) calendar days after written notice from the County or applicable cure period and in accordance with the procedures set forth in the Ordinance, Franchisee fails to pay to the County any fees or taxes due and payable under this Agreement, or any liquidated damages owed pursuant to this Franchise Agreement, damages, actual costs or expenses that the County has incurred by reason of any act, omission or default of Franchisee in connection with this Franchise Agreement, the County may immediately make such an equivalent claim against the performance bond, including interest and any actual reasonable costs. Upon such claim, the County shall notify Franchisee in writing of the amount and date of the claim at least three (3) business days prior to a withdrawal. Any action by the County Manager to make a claim against the performance bond hereunder may be appealed to the County Board for hearing and determination, subject to the terms set forth in the Ordinance.

(d) Franchisee shall pay or cause to be paid to the County the amounts of all claims against said performance bond within thirty (30) calendar days after notice of such claim, maintaining the bond at its original amount. If Franchisee fails to pay the County the amount of any claim within thirty (30) calendar days after notice to the Franchisee of the claim paid, or fails to restore the bond to its original amount, such failure may be considered a material breach of this Agreement and a violation of the Ordinance, constituting grounds for imposition of liquidated damages in the amount of Five Hundred Dollars (\$500.00) per day or part thereof that payment has not been made and may constitute grounds for revocation of this Agreement or other enforcement action by the County.

(e) Franchisee is entitled to a release of the balance of the bond that remains following the expiration of this Agreement, including any extensions or renewals thereof, provided that there are no outstanding defaults and less any unpaid amounts owed to the County by Franchisee and any amount that is the subject of a pending dispute between the County and Franchisee.

(f) If the Franchise is lawfully terminated for reasons other than expiration, the bond shall be maintained by the Franchisee for three (3) years from the date of termination, provided there are no outstanding defaults or unpaid amounts owed to the County by Franchisee.

(g) The rights reserved to the County under this Section are in addition to all other

rights of the County, whether reserved in this Franchise Agreement or in the Ordinance, or authorized by other law, and no action, proceeding or exercise of a right with respect to the performance bond will affect any other right the County may have.

Section 11. Construction Bond.

Franchisee shall furnish a construction bond in accordance with Section 37(e) of the Ordinance prior to any Cable System upgrade, rebuild or significant work in the Streets or Rights-of-Way of the County. The construction bond in favor of the County shall be in an amount equal to the lesser of the value of the construction or Two Hundred Fifty Thousand Dollars (\$250,000). Such bond shall be released by the County to the Franchisee within twelve (12) months of completion and activation of the newly constructed facility to all subscribers.

Section 12. Use of Streets; Use of County Private Property

All of Franchisee's Cable System distribution facilities and equipment shall be installed and maintained pursuant to the Ordinance and the generally applicable provisions of the County Code applicable to all cable providers regulated under the Ordinance.

Section 13. Minimum Facilities and Services.

Set forth below are the terms and conditions that the parties agree to abide by for "Minimum System Facilities and Services" during the term of this Franchise Agreement:

(a) The Cable System of the Franchisee as of the effective date of this Agreement shall comply with the Ordinance and provide Video Channel capacity to the Franchisee's headend from those locations necessary to satisfy the EG Access Channel requirements set forth in the Ordinance and in Section 16 hereof.

(b) Franchisee's Cable System shall transmit any embedded signals it receives from programmers to assist visual and/or hearing impaired customers pursuant to applicable federal law.

(c) Franchisee shall comply fully with all applicable laws concerning disabled persons, and shall indemnify and hold the County harmless from any suit, claim, or demand against it for violation of such laws that arises from the action of Franchisee, in providing or failing to provide services in conformity with such laws.

(d) The Franchisee agrees that from the effective date hereof, it shall deploy new Cable Services on the Cable System that are comparable to the Cable Services commercially deployed by the Franchisee in the areas served by the same Franchisee or any Franchisee controlled by the same ultimate parent that serve the Cable System in the City of Jacksonville, Florida or in any community in Clay County or a County adjacent to Clay County. Such Cable Services shall be deployed on the Cable System within twelve (12) months of the County's written demand, unless Franchisee reasonably demonstrates that such deployment would not be economically or technically feasible and notifies the Franchising Authority of the basis for that



determination within sixty (60) days of the County's notice. Nothing herein shall be construed to require a Franchisee to employ any specific transmission technology.

#### Section 14. Technical Standards.

Franchisee shall maintain and operate its cable system, at a minimum, in full compliance with each of the terms of the Ordinance and the County Code as in effect on the date hereof and as may be lawfully amended. Franchisee shall further comply with each of the following requirements:

(a) All antennas, supporting structures, and outside plant used in operating and maintaining Franchisee's cable system shall comply with all generally accepted industry standards and all applicable federal, state, county and/or utility laws, Ordinances, rules and regulations relating to tower structures and outside plant.

(b) All construction, installation and maintenance of Franchisee's cable system shall comply with the National Electrical Safety Code, the National Electrical Code, all applicable state and local laws and regulations, and accepted industry practices.

(c) Franchisee shall not design, install, or operate its system in a manner that will interfere with the signals of any broadcast station, the electrical or telephone system located in any building, the cable system of another Franchisee, or any individual or master antennas used for receiving television or other broadcast signals.

(d) Franchisee's cable system shall, at a minimum, meet or exceed all technical and signal quality standards of the FCC, including such standards as may be adopted or promulgated.

#### Section 15. Technological Improvements to System.

(a) Throughout the term of this Agreement, compliance with this Section 15 shall be deemed compliance by the Franchisee with Section 13(d) herein.

(b) Within sixty (60) days after the fourth and seventh anniversaries of the effective date of this Agreement, Franchisee shall, upon written request of the County submit a written report to the County in a form reasonably satisfactory to the County Manager, and agree to meet with the County Manager or designated County staff, upon the County's written request, in order to review and discuss developments in Cable System services and technology including a comparison to other communities in the State of Florida. The purpose of this report is to review and discuss the status of the Cable System in relation to State-of-the-Art. Franchisee may agree to make such technically and commercially feasible improvements to its System as may be requested by the County. If Franchisee believes that a particular improvement requested by the County is not commercially available or is commercially impractical, it will, upon written request, provide information to the County supporting its position. If the County and Franchisee disagree as to the commercial availability or practicality of a particular improvement, the County may provide notice stating that it believes that such an improvement is appropriate and may consider Franchisee's response during renewal.

(c) The County may, by written notice, require the Franchisee to provide the functional equivalent of cable services that are not on the Cable System in the County but are on the Franchisee's Cable System within the City of Jacksonville or in any community in Clay County or in an adjacent County.

(1) Upon receipt of such notice, the Franchisee shall implement the functional equivalent of such cable facilities or services within six (6) months of receipt of notice, or as otherwise agreed to by the County and the Franchisee.

(2) Franchisee's failure to comply with this Section may result in the imposition of liquidated damages to be paid by the Franchisee to the County in the amount of One Thousand Dollars (\$1,000.00) per day or part thereof that the violation continues and may be considered in any renewal proceedings.

#### Section 16. Access Channels and Facilities.

##### (a) EG Access Channel Capacity.

Use of channel capacity for education and governmental ("EG") Access shall be provided on the most basic tier of service offered by Franchisee in accordance with the Cable Act, Section 611, the Ordinance, and as further set forth below. Franchisee shall not exercise editorial content over any educational or governmental use of channel capacity, except Franchisee may refuse to transmit any access program or portion of an access program that contains obscenity, indecency, or nudity. The County shall be responsible for developing, implementing, interpreting and enforcing rules for EG Access Channel use.

##### 1. Number of Channels.

a. As of the effective date hereof, Franchisee shall provide one (1) EG Access Channel for the exclusive use of the County on the basic tier of service.

b. The County may request two (2) additional EG channels, so long as a threshold use requirement is met for the EG access channel designated above. In order to request additional EG capacity, the existing EG Access Channels must be programmed at least eight (8) hours a day with original non-repetitive, locally-produced programming, Monday through Saturday, for a minimum of six (6) consecutive weeks (excluding character generated or video reruns distributed to subscribers). Upon request, the County shall provide Franchisee with written documentation evidencing the usage meets the threshold requirement for each channel. Franchisee shall have 90 days to provide the requested additional capacity. Once the threshold is met and the additional capacity given, the initial EG channel must maintain the threshold requirement. If the initial EG channel fails to meet the threshold for six (6) consecutive months, the additional EG capacity may be reclaimed by Franchisee upon sixty (60) calendar days written notice. Under no circumstances shall the County lose the right to its initial EG channel capacity.

c. Franchisee Use of Fallow Time. Because blank or under utilized

EG channels are not in the public interest, in the event the County elects not to fully program the initial EG channel, Franchisee may program unused time on those channels subject to reclamation by the County upon no less than thirty (30) days notice. County's use of the EG channel for the purpose of cablecasting text messages shall not be considered "fallow time".

(b) Configuration to Headend

1. Franchisee's system shall be configured so that any EG programming delivered to the System by County may be delivered to all Subscribers on the system from the access facilities and equipment located at County Administration Complex facilities itemized by the Clay County School Board and from another location within the County designated by the County that is technically and financially feasible. Franchisee will cover the cost up to Five Thousand Dollars (\$5,000.00) for the expense of connecting the additional location designated by the County.

2. Franchisee shall provide all necessary headend and system electronic and distribution equipment so that any programming transmitted from County Administration Complex and any other origination location hereof may be transmitted to all subscribers on any of the County's EG access channels. The County Administration Complex and any other origination location will be linked to the headend by the most technically feasible and cost-effective means. Franchisee will provide the necessary system electronic and distribution equipment to Franchisee's headend and distribution system to make possible the live cablecasting of the programming from the County Board of County Commissioners Chambers within thirty (30) days of the request. The additional origination location selected by the County pursuant to Section 17(a)(1)(b) hereof shall be linked with all necessary Franchisee headend and system electronic and distribution equipment so that access channel programming can be transmitted to and from the Franchisee's headend on the access channel(s) within ninety (90) days of receipt of written notice from the County.

3. Franchisee hereby expressly agrees that WITHIN 120 DAYS OF THE CLOSE OF THE TRANSACTION, it will effect an interconnect to allow for transport of EG programming to all subscribers in the County previously served by Time Warner unless such interconnect is not financially feasible. If Franchisee's actual costs are in excess of Fifty Thousand Dollars (\$50,000), such interconnect shall be assumed to be not feasible and Franchisee shall either (a) pass through to subscribers costs in excess of \$50,000 amortized during the term of this Franchise, or (b) air tapes received from the County on the St. Augustine headend pursuant to agreement with the County as to whether to employ option (a) or (b) above. Franchisee shall report to the County on the status of interconnection by January 30 of every year of the Franchise.

4. Franchisee hereby warrants that it does now and will continue through the term of this franchise transport the County's EG programming to all subscribers in that subdivision in the North portion of the County commonly known as "Argyle Forrest" in a manner that is compliant with the federal law.

(c) Administration of EG Access. The County's EG Access shall be fully operated,

managed and administered by County and the School Board. The programming and technical support shall be provided by County and School Board, or such other units of state or local government as County may from time to time appoint.

1. Capital, Equipment and other Support for Access Channel Programming.

a. Capital Grant. The Franchisee hereby agrees to provide a one-time capital contribution grant to the County in the amount of One Hundred Thousand Dollars (\$100,000.00) for the maintenance and replacement of the access programming equipment and to purchase such other equipment and other costs incurred for access programming. The capital grant shall be paid to the County within ninety (90) days of the effective date of this Agreement:

b. Any facilities, equipment, services and all other support to be provided by Company pursuant to this Section shall constitute capital costs which are required by the Franchise to be incurred by Company for educational or governmental access facilities within the meaning of section 622(g)(2)(C) of the Communications Act, 47 U.S.C. § 542(g)(2)(c) and such cost does not currently constitute a portion of the State's Communications Services Tax, or Franchise Fee within the meaning of the Communications Act, the Cable Act or this Franchise. To the extent permitted by law, the Franchisee may pass through to Subscribers any costs incurred pursuant to this Section.

Section 17. Service to Public Buildings.

Franchisee shall provide service to Public Buildings in the County as provided herein.

(a) Franchisee agrees to provide, at minimum, one (1) cable drop per floor per location listed in Attachment A and, upon request, any other County government building in the Franchise Area located within 125 feet of the Franchisee's distribution cable. The service is to include installation and Basic Cable Service, the expanded or Cable Programming Service Tier ("CPST") or the equivalent comprising the next level of programming service above the most basic tier) without charge for installation or service.

(b) Any facilities, equipment, services and all other support provided and to be provided by Company pursuant to this Section shall constitute capital costs which are required by the Franchise to be incurred by Company for the costs of institutional networks and the provision of video services, voice transmissions and data transmissions to or from governmental institutions and educational institutions, within the meaning of section 622(g)(2)(C) of the Communications Act, 47 U.S.C. § 542(g)(2)(c). To the extent the Franchisee has the lawful right to pass through to Subscribers any costs incurred pursuant to this Section, Franchisee hereby agrees that the wording of the line item shall be subject to approval by the County Manager or his Designee; such approval shall not be unreasonably withheld.

Section 18. Service to Schools.

Franchisee shall provide service to schools in the County as provided herein.

(a) Where Franchisee's plant is the closest Franchised cable operator to any accredited school (K-12) and the school is located within 125 feet of the Franchisee's distribution cable within the minimum density of at least twenty-five (25) dwelling units per mile measured from one (1) mile of the existing Cable System, Franchisee hereby agrees to provide one free cable drop and installation and free Basic and expanded or Cable Programming Service Tier ("CPST" or the equivalent comprising the next level of programming service above the most basic tier) at no charge to those schools.

(b) Franchisee shall, upon request, provide accredited schools (K-12) located within one hundred twenty five (125) feet of the cable plant, one (1) standard installation of One (1) High Speed Internet service, one (1) cable modem, and regular service at no charge to the school or the County.

(c) The costs related to Subsections (a) and (b) shall not be offset against Franchise fees, taxes or passed through to Subscribers.

Section 19. Commercial Leased Access.

Franchisee shall provide commercial. leased-access channels as required by federal law.

Section 20. Emergency Use of Facilities.

(a) Franchisee shall at minimum comply with all FCC rules on emergency use of facilities.

(b) Franchisee shall provide equipment and facilities necessary to comply with the Ordinance.

(c) Franchisee shall provide standby power generating capacity at the Cable System headend, and any optical transmission node (OTN), capable of providing at least two (2) hours of emergency power.

Section 21. Parental Control/Lock-out Devices.

Franchisee shall make available at reasonable charge to any residential subscriber, upon the request of such subscriber, a "parental guidance" or "lock-out" device which shall permit the subscriber to eliminate the audio and visual transmissions from any channel reception to the extent technically feasible. Franchisee shall advise all residential subscribers at least annually of the availability of such devices.

Section 22. Line Extension Policy.

In accordance with the Ordinance, upon request and payment of all, applicable charges, and provided that the requesting person gives Franchisee access to the premises in order to furnish, maintain and continue to offer Cable Service to that person, Franchisee shall, throughout the term of this Agreement, promptly furnish, maintain, and continue to provide all Cable Services distributed over the System to any person at the place of residence within the County where Franchisee's distribution plant is located within 125 feet of such residential location and there are at least twenty-five (25) homes per mile as measured from Franchisee's nearest distribution plant and where such residential location is not able to receive Cable Service by any other Franchised cable operator.

Section 23. Cable Home Wiring Commitments.

Franchisee shall comply with all FCC rules regarding cable home wiring, as amended from time to time.

Section 24. Franchise Fee.

As of the Effective Date hereof, the Florida Communications Services Tax Act (the "Tax Law") preempts Section 21 of the Ordinance. If, however, the Tax Law is amended or repealed so that a local franchising authority is allowed to impose and collect Franchise fees, then forty-five (45) days after the Effective Date of any such statutory amendment or repeal, this Section of the Franchise Agreement will become effective, or at such time as stated in said amendment or repeal of the Tax Law, Section 21 of the Ordinance will become effective, unless a different Effective Date is included in said amendment or repeal. Unless otherwise provided by law, Franchisee shall collect and remit Franchise fees for the entire period following the Effective Date of the aforementioned change in law, even if some collection and payment must be done in arrears to allow for changes to the billing process. The intent of this section is to ensure the County is not deprived of any fees to which it would otherwise be entitled following any change in state law.

(a) Franchisee shall pay the County a Franchise fee of 5% of Franchisee's Gross Revenues derived from the operation of the Cable System to provide cable services in the County. Franchise fee payments shall be paid on a quarterly basis (January 1, April 1, July 1 and October 1) no later than forty-five (45) days after the end of each Quarter. Each payment shall be accompanied by a report to the County showing the basis of the computation.

(b). Following any change to applicable state law such that this Section becomes effective, the County shall have the option at the time of this Section's Effective Date of increasing the Franchise fee to the maximum permitted by law following a public hearing and vote by the County Board, which change shall take effect no sooner than 45 days following such vote and written notice to Franchisee.

(c) Upon reasonable prior written notice, during normal business hours, at Franchisee's principal's business office, the County shall have the right to inspect the Franchisee's financial records used to calculate the Franchisee's fees; provided, however, that

any such inspection shall take place within the applicable statute of limitations.

(d) Upon completion of any such inspection by the County, the County shall provide to the Franchisee a final report setting forth the County's findings in detail, including any and all substantiating documentation. In the event of an alleged underpayment, the Franchisee shall have thirty (30) days from the receipt of the report to provide the County with a written response agreeing to or refuting the results of the audit, including any substantiating documentation. Based on these reports and responses, the parties shall agree upon a "Finally Settled Amount." For purposes of this section, the term "Finally Settlement Amount" shall mean the agreed upon underpayment, if any, to the County by the Franchisee as a result of such inspection. If the parties cannot agree on a "Finally Settled Amount," the parties shall submit the dispute to a mutually agreed upon mediator within sixty (60) days of reaching an impasse. In the event an agreement is not reached at mediation, either party may bring an action to have the disputed amount determined by a court of law.

Any "Finally Settled Amount" due to the County as a result of such inspection shall be paid to the County by the Franchisee within thirty (30) days from the date the parties agree upon the "Finally Settled Amount." Once the parties agree upon a Finally Settled Amount and such amount is paid by the Franchisee, the County shall have no further rights to audit or challenge the payment for that period, unless otherwise provided by applicable law.

#### Section 25. Reports and Records.

Upon reasonable prior written request of the County, Franchisee shall furnish the County with all of the information lawfully required under the Ordinance, excluding any reports that the County is preempted from requiring under applicable law.

#### Section 26. Right to Inspect Financial Records and Facilities.

(a) Franchisee shall maintain a complete set of books and records, including plans, contracts, engineering, accounting, financial, statistical, customer and service records as required by the Ordinance.

(b) Throughout the term of this Franchise Agreement, Franchisee agrees that the County, upon reasonable prior written notice to Franchisee, may review such of Franchisee's books and records regarding the operation of the Cable System and the provision of Cable Service in the County which are reasonably necessary to monitor Franchisee's compliance with the provisions of this Franchise Agreement at Franchisee's business office in Clay County, during normal business hours and without unreasonably interfering with Franchisee's business operations. Such books and records shall include, without limitation, any records required to be kept by Franchisee in a public file pursuant to the rules and regulations of the FCC. All such documents pertaining to financial matters that may be the lawful subject of an audit by the County shall be retained by Franchisee for a minimum period of five (5) years.

(c) The County shall accord all books and records that it inspects under this Section the degree of confidentiality such books and records are entitled to under federal and state law.

To the extent Franchisee considers any books or records that it is required to produce to be confidential or otherwise protected from public disclosure, Franchisee shall designate which documents it views as protected and provide a written explanation to the County of the legal basis for Franchisee's claim of protection.

(d) Pursuant to the Ordinance, the County shall have the right to inspect Franchisee's facilities and property so long as any such inspection is conducted during Franchisee's normal business hours and upon reasonable prior written notice, and in such a manner so as not to interfere with Franchisee's business operations, and in the presence of an authorized representative of Franchisee, which Franchisee shall make available.

Section 27. Customer Service Requirements.

(a) Franchisee agrees to comply with each of the customer service requirements set forth in the Ordinance.

(b) For thirty (30) days after notice of retiering or rate increases, customer may obtain changes in service tiers at no additional charge.

Section 28. County Purchase of Cable System.

Unless prohibited by applicable law, the County may, upon the recommendation of the County Manager and the approval of the Board, acquire ownership of and operate Franchisee's cable system, in accordance with the Ordinance.

Section 29. Modification of Franchise.

Franchisee shall file an application with the County for any modification of the Franchise in accordance with the Federal Cable Act and pursuant to the Ordinance. The application shall fully conform with each of the requirements set forth in the Ordinance that apply to applications for modification.

Section 30. Transfer of Franchise.

(a) Franchisee shall not directly or indirectly assign, sell or transfer its Franchise, or any right, title, or interest in this Franchise Agreement, or its cable system, nor shall any substantial ownership or any other form of control of Franchisee or any lawful successor be transferred, assigned, directly or indirectly, without prior written notice to and approval of the County. In determining whether to approve a transfer, the County will consider the factors set forth in the Ordinance and such other information as may be determined as relevant by the County Manager.

(b) Franchisee shall file an application to transfer its Franchise or to transfer control of Franchisee in full compliance with the Ordinance. No Transfer shall occur without prior approval from the Board of County Commissioners. However, prior consent of the County shall



not be required where Franchisee provides reasonable notice of not less than sixty (60) days to the County of a “pro forma” transfer as defined in the Ordinance.

**Section 31. Procedures for Requesting Approval of Transfer.**

In addition to the requirements set forth in the Ordinance, the following procedures shall be followed by Franchisee in requesting the County’s consent to transfer its Franchise or to transfer control of Franchisee.

(a) At least one hundred twenty (120) calendar days prior to the contemplated effective date of a transfer, Franchisee shall submit to the County an application for approval of the transfer. Such application shall include the following:

1. A statement of the reason for the contemplated transfer.
2. The name, address and telephone number of the proposed transferee.
3. A detailed statement of the corporate or other business entity organization of the proposed transferee, including but not limited to the following:
  - a. The names, business addresses, state of residence and country of citizenship of all general partners and/or corporate officers and directors of the proposed transferee.
  - b. The names, business addresses, state of residence and country of citizenship of all persons and entities having, controlling, or being entitled to have or control ten percent (10%) or more of the ownership of the proposed transferee and the respective ownership share of each ~~such~~ person or entity.
  - c. The names and addresses of any subsidiary of the proposed transferee and of any other business entity owning or controlling in whole or in part or owned or controlled in whole or in part by the proposed transferee.
  - d. A detailed and complete financial statement of the proposed transferee, prepared by a certified public accountant if audited statements were made, and if not, by a duly authorized financial officer of the proposed transferee, for the three (3) fiscal years immediately preceding the date of the request for transfer approval, and a letter or other acceptable evidence in writing from a duly authorized officer of the proposed transferee setting forth a clear and accurate description of the amount and sources of funding for the proposed transaction and its sufficiency to provide whatever capital shall be required by the proposed transferee to construct, install, rebuild, maintain and operate the proposed system in the County. If the corporate or business entity organization of the proposed transferee has not been in existence for a full these (3) years, the proposed transferee shall submit a certified financial statement for the period of its existence.
  - e. A description of all previous experience of the proposed transferee

in operating cable television systems and providing cable television services or related or similar services, including a statement identifying, by place and date, any other cable television Franchise(s) awarded to the proposed transferee, its parent, subsidiaries, or affiliates; the status of Franchise(s) with respect to completion; the total estimated cost of completion of such system(s), and a summary of the amount of the proposed transferee's and its parent's or subsidiary's resources committed to the completion.

f. Upon request from the County and if such pro forma financial plan has been prepared, a detailed pro forma financial plan describing for each remaining year of the Franchise, the projected number of subscribers, rates, all revenues, operating expenses, capital expenditures, depreciation schedules, income statements, and statement of sources and uses of funds. Where the transfer is part of a larger transaction and such information is not prepared for the single system in the County, the proposed transferee may provide such information on a consolidated basis including the system in the County, but shall provide information on the size of the County system, in terms of number of subscribers, relative to the transaction, so that pro rata estimates, may be made.

g. A detailed description of the proposed plan of operation of the proposed transferee, which shall include, but not be limited to the following:

(i) A detailed map indicating all new areas proposed to be served, a proposed time schedule for the installation of all equipment necessary to become operational throughout the new areas to be served, and the projected total cost for new construction of the system.

(ii) A statement or schedule setting forth all proposed classifications of rates and charges to be made against subscribers and all rates and charges to each classification, including installation charges, service charges, special, extraordinary, or other charges.

4. The proposed Purchase price of the cable system, and the terms and conditions of the proposed transfer.

#### Section 32. Renewal of Franchise.

Any renewal of this Franchise Agreement shall be in accordance with the Cable Act and the Ordinance. In the event of a conflict between the Ordinance and Section 626 of the Communications Act, 47 U.S.C. §546, the federal law will control.

#### Section 33. Rates.

(a) Nothing in the County Code, the Ordinance or this Franchise Agreement shall prohibit the County from regulating rates for cable service, installation, disconnection, and equipment rental to the full extent permitted by and consistent with state and federal law.

(b) Franchisee further agrees that it shall not increase rates or charges for basic cable

service, installation, disconnection, or equipment rental without at least thirty (30) days prior written notice to subscribers and the County.

(c) Unless otherwise exempted by federal law, Franchisee shall at all times charge nondiscriminatory rates throughout the County. Pursuant to the Cable Act, Franchisee shall have a rate structure for the provision of cable service that is uniform throughout the geographic area in which cable service is provided over Franchisee's cable system.

#### Section 34. Enforcement Remedies.

In addition to any other remedies available at law or equity, except as otherwise specifically provided in this Agreement, the County may impose liquidated damages for any violation of this Agreement, and/or other remedies, pursuant to the Ordinance.

(a) Liquidated Damages. Before assessing liquidated damages against Franchisee, the County shall give Franchisee written notice of the alleged violation and its intention to assess such damage, which notice shall contain a sufficient description of the alleged violation. Following receipt of such notice, Franchisee shall cure or commence to cure to the satisfaction of the County Manager the violation within thirty (30) business days or provide a written statement as to why it is of the reasonable belief that no violation has occurred or that such violation cannot be cured within thirty (30) business days and provide a time frame for such cure of said violation. If the violation is not cured or commenced to be cured to the reasonable satisfaction of the County Manager in that thirty (30) business day period or in the cases of violations measured on a quarterly or longer period (such as customer service standards) during the subject quarterly or longer cure period, the County may, effective on the 31<sup>st</sup> business day, or first day after the applicable quarterly or longer cure period, collect liquidated damages owed through a draw-down of the performance bond as provided in this Franchise Agreement, or through any other means allowed by law. In the event Franchisee desires to challenge the decision of the County Manager, Franchisee may appeal to the County Commission, however, such an appeal must be filed within thirty (30) business days of the date of the County Manager's written decision serviced on Franchisee in a manner pursuant to Section 42 of this Franchise. Franchisee shall have the right to appeal the County's decision, once all administrative remedies are exhausted, to a court of competent jurisdiction. Pending such appeal to the Board of County Commissioners or a court of competent jurisdiction, the collection or payment of any liquidated damages subject of the appeal is stayed. Because the County may suffer damages from any violation by Franchisee of this Agreement or of the Ordinance, which damages may be difficult to quantify, the County and Franchisee agree to the following schedule of liquidated damages:

1. For material failure to provide data, documents, reports or information in a timely manner as required by Section 25 of this Franchise Agreement or pursuant to Section 16(g) of the Ordinance, Franchisee shall pay Fifty Dollars (\$50.00) per day that each violation occurs or continues.

2. For material failure to test, analyze and report on the performance of the system in a timely manner as required by this Franchise Agreement or following a request from the County to do so, Franchisee shall pay Two Hundred Dollars (\$200.00) per day for each day

that such noncompliance continues.

3. For failure to substantially comply with the provisions of the Ordinance or Sections 13, 15 or 18 of this Franchise Agreement, Franchisee shall pay Two Hundred Dollars (\$200.00) per day for each day that the violation continues.

4. For failure to comply with the Sections 11 and 13 of the Ordinance or Sections 30 or 31 of this Franchise Agreement, Franchisee shall pay Five Hundred Dollars (\$500.00) per day for each day that the violation continues.

5. For failure to comply with any other provision of the Ordinance other than those specifically referenced above or failure to comply with any other material provision of this Franchise Agreement within thirty (30) days of receipt of notice of non-compliance from the County, Franchisee shall pay Two Hundred Fifty Dollars (\$250.00) per day for each day that such non-compliance continues.

(b) Revocation or Termination of Franchise. Franchisee's Franchise is subject to revocation pursuant to Section 18 of the Ordinance for any of the reasons set forth. In the event the County exercises its right to revoke the Franchise, the procedures set forth in Section 18(b) of the Ordinance shall apply. After exhaustion of all such proceedings, Franchisee shall have the right to appeal the decision of the Board to a court of competent jurisdiction.

#### Section 35. Area-wide EG Interconnection.

(a) Upon the County's request, Franchisee shall negotiate in good faith with other Franchised Cable Operators in the County to interconnect education and government access channels programmed by the County or its lawful access users with any or all other Cable Systems located or serving subscribers within the County to the extent such interconnection is economically and technically feasible. Interconnection of systems shall be for the purpose of permitting interactive transmission and reception of government and education program material, and may be done by direct cable connection, microwave link, satellite, or other appropriate method, as mutually agreed by the affected cable operators.

(b) Franchisee shall, where it does not own the affected system, immediately initiate good faith negotiations with the operators of the other affected systems in order to facilitate the construction and operation of the interconnection link and the equitable assignment of costs among the participants. Franchisee shall report to the County the results of such negotiation no later than 30 days after the date of receipt of request from the County.

(c) Where Franchisee owns the affected system, Franchisee shall interconnect its Systems within 120 days and report to the County on the timing and method of interconnection within 15 days of receipt of the County's request.

(d) The Franchisee may be granted reasonable extensions of time to interconnect if

the County finds that (1) the Franchisee has negotiated in good faith and has failed to obtain an approval from the system of the proposed interconnection; or (2) the cost of the interconnection would be unreasonably high or technically unfeasible.

(e) The County reserves the right to require Franchisees not under common ownership to interconnect with costs allocated to each operator on a pro-rata subscriber basis and at no cost to the County.

Section 36. Written Notice of Acceptance.

No later than the date of consideration of the Board of County Commissioners resolution approving the grant of this Franchise, Franchisee shall provide the County with written acceptance of all the terms and conditions of this Franchise Agreement. Franchisee's failure to comply in full with this Section shall result in postponement of such consideration.

Section 37. No Opposition.

(a) By execution of this Agreement, the Franchisee accepts and agrees to comply with each provision of this Agreement and the Ordinance. Furthermore, the Franchisee acknowledges and accepts the legal right of the County to grant the Franchise, to enter into this Agreement and to enact and enforce laws, Ordinances and regulations related to this Agreement. Franchisee agrees that the Agreement was granted pursuant to processes and procedures consistent with applicable law, and that it will not raise any claim to the contrary, or allege in any claim or proceeding by the Franchisee against the County that any provision, condition or term of the Ordinance or this Agreement at the time of the acceptance of the Agreement was unreasonable, arbitrary, or inconsistent or that at the time of the acceptance of the Agreement any such provision, condition or term was void or that the County had no power or authority to make or enforce any such provision, condition or term.

(b) If any part, section, subsection, or other portion of this Agreement or any application to any Person or circumstance is declared void, unconditional or invalid for any reason, such part, section, subsection, or other portion, or the prescribed application shall be severable, and the remaining provisions of this Agreement, and all applications not having been declared void, unconstitutional or invalid, shall remain in full force and effect.

Section 38. Force Majeure.

If by reason of strike, acts of God, acts of public enemies, orders of any kind of a government of the United States of America or of the State or any of their departments, agencies, political subdivisions; riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, tornadoes, volcanic activity, storms, floods, washouts, droughts, civil disturbances, explosions, partial or entire failure of utilities, or failure of utility or other authority to issue permits or perform other work or duties in a timely fashion, or any other cause or event not reasonably within the control of the disabled party, any party is unable in whole or in part to carry out its obligations hereunder, that party shall not be deemed to be in violation or default during the continuance of such inability.

Section 39. No Third Party Beneficiaries.

Nothing in this Franchise Agreement is or was intended to confer third-party beneficiary status on any member of the public to enforce the terms of this Franchise Agreement.

Section 40. No Waiver of Rights.

Nothing in this Franchise Agreement shall be construed as a waiver of any rights, substantive or procedural the County or Franchisee may have under Federal or State law unless such waiver is expressly stated herein.

Section 41. Merger Clause.

This Franchise Agreement, including all Exhibits, embodies the entire understanding and agreement of the Franchising Authority and the Franchisee with respect to the subject matter hereof and supersedes all prior understandings, agreements and communications, whether written or oral.

Section 42. Notice.

Any notice, request, demand, approval or consent given or required to be given under this Agreement shall be in writing and shall be deemed as having been given when mailed by United States registered or certified mail (return receipt requested), postage prepaid, to the other parties at the addresses stated below or at the last changed address given by the part to be notified as specified:

- (a) If to Comcast of Greater Florida/Georgia, Inc.:

Vice President and General Manager  
Comcast of Greater Florida/Georgia, Inc.  
6805 Southpoint Parkway  
Jacksonville, Fl. 32216  
Facsimile: (904) 374-7622

with a copy to:

Comcast Cable Communications, Inc.  
Attn: Vice President, Public Affairs  
360 Interstate North Parkway, Suite 600  
Atlanta, GA 30339  
Facsimile: (678) 385-5101

and: Comcast Cable Communications, Inc.  
Attn: Legal Dept.  
1500 Market Street

Philadelphia, PA 19102  
Facsimile: 215-640-4050

(a) If to County:

Clay County  
County Manager  
P.O. Box 1366  
Green Cove Springs, FL 32043

Section 44. Execution in Counterpart.

This Franchise Agreement may be executed in counterpart.

IN WITNESS OF THE FOREGOING, the parties have set their hands and seals the day and year first written above.

By: \_\_\_\_\_  
John Ridall  
President, Southern Division  
Comcast of Greater Florida/Georgia, Inc.

ATTEST:

CLAY COUNTY, FLORIDA

\_\_\_\_\_  
Fritz A Behring, County Manager  
and Clerk to the Board of  
County Commissioners

By: \_\_\_\_\_  
Glenn Lassiter, Chairman

APPROVED AS TO FORM:

\_\_\_\_\_  
County Attorney